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INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

Dated as of March 1, 1973

between

CIC/A. A. MORRISON, INC.,

Lessor

and

NORTH LOUISIANA & GULF RAILROAD COMPANY,

Lessee

LEASE

THIS LEASE, dated as of March 1, 1973, between NORTH LOUISIANA & GULF RAILROAD COMPANY, a Louisiana corporation (hereinafter called "Lessee") with offices in Hodge, Louisiana 71247, and CIC/A. A. MORRISON, INC., a New York corporation (hereinafter called "Lessor") with offices at 107 Delaware Avenue, Buffalo, New York 14202.

WITNESSETH:

WHEREAS, the Lessor has agreed to purchase under Conditional Sales Agreements with (1) Safety Steel Warehouse, Inc., d/b/a Safety Railway Service, (hereinafter called "SSW"), 45 rebuilt 70 Ton Pulpwood Cars heretofore purchased by SSW from the Kansas City Southern (hereinafter called "KCS"), and from the Louisiana and Arkansas (hereinafter called the "L&A"), and being respectively the KCS 24000 Series and the L&A 3000 Series, and (2) from United States Railway Equipment Co., a subsidiary of Evans Products Company, (hereinafter called "USRE"), 40 rebuilt 70 Ton Pulpwood Flat Cars heretofore purchased by USRE from KCS and being the KCS 26000-26999 and 9000 Series Gondola Cars (hereinafter called "Conditional Sale Agreements"); and

WHEREAS, SSW and USRE have assigned or will assign their interest in the two Conditional Sale Agreements to the Western Saving Fund Society of Philadelphia (hereinafter, together with its successors and assigns, called "WSFS"); and

WHEREAS, Lessee desires to lease the above described 85 Cars (hereinafter in the aggregate called the "Car(s)"), under this Lease at the rentals and upon the terms and conditions hereinafter provided;

NOW, THEREFORE, in consideration of the covenants contained herein, the parties hereby and herein agree as follows:

SECTION 1. LEASE OF PROPERTY; TERM. Lessor agrees to deliver and lease to Lessee, the Cars to be purchased by Lessor from SSW and from USRE under the Conditional Sale Agreements and Lessee agrees to accept delivery and rent the Cars from Lessor for use of the Cars upon Lessee's own railroad lines and not in the usual interchange of traffic on a regular basis except for the LOUISIANA & NORTH WEST RAILROAD COMPANY. Each Car has heretofore been thoroughly inspected by employees of Lessee, as the authorized representatives of Lessee, and is accepted "as is" and Lessee will forthwith execute and deliver to Lessor, before delivery of the Cars to Lessee, a Certificate of Acceptance in the form of Exhibit A to this Lease. Lessee agrees that the inspection of the Cars conclusively establishes as between Lessee and Lessor that each Car was in accordance with the

specifications of Lessee and in good condition and repair and satisfactory to Lessee for the purposes and uses of Lessee. Lessor will, at Lessee's expense, cause each Car purchased by Lessor from SSW to be delivered to Lessee at Victoria, Texas, and each Car purchased by Lessor from USRE to be delivered to Lessee at Washington, Indiana. Upon such delivery, Lessee will cause one or more employees of Lessee, as the authorized representative or representatives of Lessee, to accept delivery of each Car pursuant to this Lease, and Lessee will execute and deliver to Lessor a Certificate of Delivery in the form of Exhibit B to this Lease, whereupon the Cars shall be deemed to have been delivered to and again accepted by Lessee subject to all the terms and conditions of this Lease. Lessee hereby agrees that the execution of the Certificate of Acceptance for any Car by such employee or employees on behalf of Lessee shall, without further act, irrevocably constitute acceptance by Lessee of the Car(s) for all purposes of this Lease. The interim lease term for the Car(s) shall commence on the date of execution of the Certificate of Delivery for such Car(s) and shall end on the date the rental term of this Lease commences, but no later than September 30, 1973. The rental term of this Lease shall commence on the first day of the month following the month in which the last Car is delivered to Lessee and shall end on the last day of the (179th) consecutive month thereafter.

Notwithstanding anything to the contrary contained herein all rights and obligations under this Lease and in and to the Cars leased hereunder, are subject to the rights of Vendors under the Conditional Sale Agreements. In the event a default should occur under the Conditional Sale Agreements, the Vendors may not terminate this Lease (or rescind its termination), or as provided therein, unless the Lessee is in default under this Lease.

SECTION 2. RENT. (a) Lessee shall pay Lessor as interim rent for each Car subject to this Lease for the period from and including the date of acceptance of such Car to (but not including) the commencement date of the rental term of this Lease, at the rate of \$2.00 (U. S. currency) net for each Car for each day during such interim rental period. The interim rent for each Car shall be payable on the first day of each calendar month following the date of acceptance of such Car and on the day prior to the commencement date of the rental term.

(b) Lessee shall pay Lessor rent for each Car subject to this Lease for the period from and including the commencement date of the rental term to and including the end of the rental term for each Car, in sixty (60) equal consecutive quarterly installments, in advance, each in an aggregate amount calculated upon a basis of \$2.00 (U. S. currency) net per Car per day. The rent shall be due and payable on the first day of the rental term and on the first day of each of the next consecutive fifty-nine (59) quarters, all as set forth more fully in Exhibit C of this Lease.

SECTION 3. PAYMENT OF RENT. All rent and other sums to be remitted in accordance with the terms of this Lease to Lessor shall be paid by Lessee to Lessor at its address set forth above, or as otherwise directed by Lessor in writing. Any rental payment or other sums not paid when due shall be subject, to the extent legally enforceable, to a late charge equal to 8 3/4 percent per annum of the overdue amount for the period of time during which such rentals or other sums are overdue or such lesser amount as may be legally enforceable. This Lease is a net lease and Lessee's obligations to pay all rent payable hereunder shall be absolute and unconditional and all such rent shall be paid notwithstanding any circumstances, including, without limitation (i) any matters of abatement, set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor or SSW or USRE or anyone else for any reason whatsoever, (ii) compliance with specifications, condition, design, operation, disrepair or fitness for use of, or any damage to or loss or destruction of any Car, or any interruption or cessation in the use or possession thereof by Lessee for any reason whatsoever, or (iii) any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessee. Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease except in accordance with the express terms hereof. Each rent payment made by Lessee shall be final and Lessee will not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

SECTION 4. INTERCHANGE. Lessee will at all times from the date of execution of the Certificate of Acceptance have the right to receive any compensation paid by any other railroad for use of any of the Cars while the Cars are in the usual interchange of traffic, provided, however, that the right of such use in the usual interchange of traffic shall be subject to all the terms and conditions of this Lease.

SECTION 5. IDENTIFICATION MARKS. Lessee shall keep each Car numbered with the identifying number indicated in Exhibit D hereto and as set forth in the Certificate of Acceptance for such Cars and shall keep each side of each such Car plainly, distinctly, permanently and conspicuously marked, in letters not less than one inch in height, with the name of Lessor followed by the word "Lessor" and with the name of WSFS followed by the word "Owner" and such other appropriate words designated by Lessor and WSFS, and Lessor may make changes thereof and additions thereto as from time to time may be required by law in order to protect the interest and title of Lessor and WSFS to the Cars and their rights under this Lease. Lessee will replace promptly the name of Lessor and WSFS and words which may be removed, defaced or destroyed. Lessee will not change the numbers of any such Cars except with the consent of Lessor and in accordance

with a statement of new numbers to be substituted therefor, which statement shall have been previously filed with Lessor by Lessee so that Lessor may promptly file and record the same with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act and with such other entities under such other acts as may be applicable and in all other public offices where this Lease shall have been filed or recorded. The cost of making any change in the numbers of any Car or legend upon any Car shall be borne by Lessee. Except as otherwise provided in this Section, Lessee will not allow the name of any person, association or corporation to be placed on any Car as a designation which might be interpreted as a claim of ownership; provided, however, that Lessee may cause the Cars to be lettered with the name, emblem, or initials of Lessee or of a subsidiary or affiliated company controlling or controlled by Lessee (or of any sub-lessee if the sublease shall be permitted under this Lease). The benefits afforded to Lessor under this provision shall be specifically applicable to the assignor of Lessor and to the assignees of such assigns and to any party which has a security interest in and to such Cars.

SECTION 6. MAINTENANCE, OPERATION AND REPAIRS. Lessee agrees for the benefit of the Lessor, that Lessee, at its own cost and expense, shall maintain, service and repair each Car to the same extent as Lessee would, in the prudent management of its properties, maintain, service and repair similar equipment owned by Lessee and in any event to the extent required to maintain such Cars in good operating condition (ordinary wear and tear excepted) and in compliance with any applicable requirements of law or of any federal, state or local governmental authority having jurisdiction, including, but not limited to (i) the interchange rules of the Association of American Railroads and (ii) all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Cars. Lessee will not permit any Cars to be used or operated in violation of any law or any rule, regulation or order of any such governmental authority having jurisdiction, unless the validity thereof is being contested in good faith and by appropriate proceedings, but only so long as such proceedings do not involve any danger of the sale, forfeiture or loss of any Car or interest therein. In case any additional or other equipment or appliance on any Car shall be required to be installed on any such Car in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such additions and replacements at its own expense.

Lessee will make and be responsible for any and all replacements, repairs or substitutions of parts of the Cars required to keep the Cars in such good operating condition. All replacements and repairs shall become the property of Lessor, as shall all additions if not removable without impairing the value of the Cars.

Without the prior written consent of Lessor, Lessee shall not alter or improve the Cars. Lessee will bear all costs incurred in connection with the use and operation of the Cars including, but not limited to, labor, material, energy or supplies.

SECTION 7. INSPECTION AND REPORTS. At all reasonable times Lessor or its authorized representatives may inspect each Car and the books and records of Lessee relative thereto (but such books and records shall not include books and records relating to Lessee's earnings with respect to the Cars), and, at such times as Lessor may reasonably request, Lessee will furnish Lessor accurate statements regarding the condition and state of repair of the Cars. Lessor shall have no duty to make any such inspection or inquiry and shall not incur any liability or obligation by reason of not making any such inspection or inquiry. During any storage period provided in this Lease, Lessee will permit Lessor, or any person designated by Lessor, including authorized representatives of any prospective purchaser or lessee of any Car, to inspect the same. Any such inspection made by Lessor or Lessor's agents, servants or employees shall be at Lessor's risk of loss and damages for injuries to such persons or other persons and to property which may be caused by the negligence of such inspectors. Lessee shall not be liable, except in the case of its negligence or that of its employees or agents, for any injury or death to any person exercising, either on behalf of Lessor or any prospective purchaser or lessee, the rights of inspection granted hereunder.

On or before March 1 in each year, commencing with the year 1974, the Lessee will cause to be furnished to the Lessor an accurate statement as of the preceding January 1 (a) showing the amount, description and numbers of the Cars then covered hereby, the amount, description and numbers of all Cars that have suffered damage or been lost or destroyed during the preceding 12 months (or since the date of delivery hereunder of the Cars, in the case of such of the first such statement), and such other information regarding the condition and state of repair of the Cars as the Lessor may reasonably request, and (b) stating that, in the case of all Cars repainted or repaired during the period covered by such statement, the markings required by Section 5 hereof have been preserved or replaced.

The Lessee agrees to prepare and deliver to the Lessor, within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports required to be filed by the Lessor, with any federal, state or other regulatory authority by reason of the ownership by the Lessor of the Cars or the leasing of the Cars to the Lessee.

SECTION 8. LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants to Lessor that: (i) Lessee is a corporation duly organized and existing in good standing under the laws of the State of Louisiana and is duly qualified to do business wherever

necessary to carry on its present business and operations; (ii) Lessee has full power, authority and legal right to enter into and perform this Lease, and the execution, delivery and performance of this Lease has been duly authorized by all necessary corporate action on the part of Lessee, and does not violate any judgment, order, law or regulation applicable to Lessee or any provision of Lessee's articles of incorporation or by-laws, or result in the breach of, constitute a default under, contravene any provisions of, or result in the creation of any lien, charge, encumbrance or security interest upon any assets of Lessee under any indenture, agreement or instrument to which Lessee is a party or by which Lessee or its assets may be bound or affected; (iii) this Lease constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with the terms hereof, subject as to enforceability to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally; (iv) except for the recording of this Lease with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act, no recording or filing of this Lease, or of any financing statement with respect thereto, is necessary under the laws of the United States of America or any State thereof in order to fully protect Lessor's title to and interest in each Car as against Lessee and any third parties in any applicable jurisdictions within the United States; and (v) neither the execution and delivery by the Lessee of this Lease nor any of the transactions by Lessee contemplated hereby require the consent, approval or authorization of the Interstate Commerce Commission or any other federal or state governmental authority.

SECTION 9. DISCLAIMER OF REPRESENTATIONS AND WARRANTIES. LESSOR SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, COMPLIANCE WITH SPECIFICATIONS, CONDITION, MERCHANTABILITY, DESIGN, OPERATION OR FITNESS FOR USE OF ANY CAR, OR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY CAR, it being agreed that Lessee accepts each Car "as is" and that all such risks, as between Lessor and Lessee, are to be borne by Lessee but Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for account of Lessor and/or Lessee, as their interests may appear, at Lessee's sole cost and expense, whatever claims and rights Lessor may have against SSW and USRE. Lessee's execution and delivery of a Certificate of Acceptance shall be conclusive evidence as between Lessee and Lessor that all Cars described herein are in every respect satisfactory to Lessee, and that Lessee will not assert any claim of any nature whatsoever against Lessor based on any of the foregoing matters.

SECTION 10. DISCLAIMER OF AGENCY. LESSEE ACKNOWLEDGES AND AGREES THAT NEITHER SSW OR USRE, NOR ANY SALESMAN, EMPLOYEE, OFFICER, REPRESENTATIVE OR AGENT OF SSW OR USRE OR ANY OTHER PERSON OR ENTITY

IS AN AGENT OR REPRESENTATIVE OF LESSOR, AND THAT NONE OF THE AFOREMENTIONED ARE AUTHORIZED TO WAIVER OR ALTER ANY TERM OR CONDITION OF THIS LEASE, OR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE CARS OR THIS LEASE. Lessee further acknowledges and agrees that Lessee in executing this Lease, has relied solely upon the terms and conditions contained herein.

SECTION 11. TAXES. Lessee shall pay all present and future taxes and other governmental charges and any amounts in lieu of such taxes and charges and any penalties or interest on any of the foregoing, however imposed or levied or based upon the purchase of the Cars by Lessor under the Conditional Sale Agreements, ownership, importation of the Cars into Louisiana, leasing, rental, sale, purchase, possession or use of the Cars (including, but not limited to, sales, use, franchise, excise, personal property and gross rental taxes); provided, however, that Lessee shall not be obligated to pay any taxes levied on, or measured by, Lessor's net income. Lessee shall file all ad valorem tax returns on the Cars and forward copies thereof and statements for taxes received to Lessor. If not thereby subjecting the Cars to forfeiture or sale, Lessee may at its own expense contest in good faith by appropriate proceedings the validity or amount of any of the taxes or other governmental charges described above. Prior written notice of any such contest shall be given to Lessor together with security satisfactory to Lessor for the payment of the amount being contested. The obligations of Lessee contained in this Section shall continue notwithstanding the expiration or other termination of this Lease.

In the event Lessee does not pay all sums specified above, or Lessor must as a matter of law make such remittance, Lessor has the right, but not the obligation, to pay the same. If Lessor shall so pay any of the foregoing, then the Lessee shall remit such amount with the next installment of rent or forthwith if no further installments of rent are due.

SECTION 12. INDEMNIFICATION. Lessee hereby agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless Lessor, and its respective successors, assigns, agents, employees, officers and directors, from and against, any and all liabilities (including STRICT LIABILITY IN TORT), obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal fees and expenses, of whatsoever kind and nature (for purposes of this Section 12 collectively called "Expenses"), imposed on, asserted against or reasonably incurred by Lessor, or any of its respective successors, assigns, agents, employees, officers and directors in any way relating to or arising out of this Lease, the ordering, acquisition, ownership, delivery, lease, possession, use, operation, condition, sale or other disposition of any Car (including, without limitation, latent and other defects, whether or not discoverable by Lessor or Lessee, and any claim for patent, trademark or copyright infringement), except only that Lessee shall not be required to indemnify

Lessor or its respective successors, assigns, agents, employees, officers and directors for (i) Expenses to be borne pursuant to the express provisions hereof by the party otherwise to be indemnified hereunder, (ii) Expenses resulting from the willful misconduct or gross negligence of the party otherwise to be indemnified hereunder, (iii) Expenses resulting from the failure by the party otherwise to be indemnified hereunder to perform or observe any agreement in this Lease, or (iv) Expenses incurred by Lessor in connection with the preparation, execution and delivery of this Lease and the purchase of the Cars.

All amounts payable by Lessee pursuant to this Section 12 shall be payable directly to the party entitled to indemnification. All the indemnities contained in this Section 12 shall continue in full force and effect notwithstanding the expiration or other termination of this Lease and are expressly made for the benefit of, and shall be enforceable by Lessor and assigns of Lessor and assignees of assigns of Lessor and such other persons or entities which may have a security interest in the Cars. Upon payment in full of any indemnity contained in this Section 12 by Lessee, it shall be subrogated to any rights of the individual or corporation indemnified in respect of the matter against which indemnity has been given.

SECTION 13. INSURANCE. Lessee will, at Lessee's sole expense, without cost to Lessor, maintain or cause to be maintained in effect while this Lease shall be in effect, insurance policies insuring each Car against all risks of loss, theft, collision, derailment or damage from every cause whatsoever for each Car's actual cash value. Notwithstanding the provisions of the foregoing sentence, however, Lessee may self-insure against such risk by a deductible clause not to exceed \$2,500.00 per Car if the Cars are self-insured to no greater extent than any similar property owned by Lessee.

Lessee will, at Lessee's sole expense, without cost to Lessor, maintain or cause to be maintained in effect while this Lease is in effect, insurance policies with respect to each Car insuring against loss or damage to the person and property of others from such risks and in such amounts as Lessee would, in the prudent management of its business, maintain or cause to be maintained with respect to similar equipment owned by it; provided, however, that such insurance shall provide coverage in the amount of not less than \$2,000,000.00 per any one occurrence.

Any insurance policies maintained in accordance with this Section shall be in such form and with such companies as shall be satisfactory to Lessor. Certified copies or certificates of such insurance policies shall be delivered to Lessor upon demand with loss payable clauses in form satisfactory to Lessor, naming Lessor, any assignee of Lessor, any assigns of assignees, and Lessee and

any other parties designated by Lessor as loss payees as their interests may appear and as named insureds if requested. Each insurer shall agree by means satisfactory to Lessor that it will give Lessor and any other named insured 30 days written notice before any policy shall be altered or cancelled.

Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy.

Lessee agrees if Lessee shall fail to procure, tender evidence of, maintain and pay for the insurance coverage required hereunder. Lessor shall have the right, but not the obligation, to obtain such insurance coverage on behalf of and at the expense of Lessee. In the event Lessor does obtain such insurance coverage, Lessee agrees to pay all costs thereof with the next rental payment or forthwith if no more rental payments are due hereunder.

SECTION 14. LOSS OR DAMAGE. Lessee shall bear the entire risk of loss, theft, damage or disrepair of the Cars or any part thereof for any cause whatsoever. In the event of any of the above, Lessee, at Lessee's own expense and at Lessor's option, shall either (a) repair the Car(s), returning the same to its previous condition, unless unrepairable; or (b) replace same with like Car(s) of equivalent value, in good condition and acceptable to Lessor, which shall become the property of the Lessor; or (c) immediately pay Lessor all rent due and to become due under this Lease or such amount as may be allocated by Lessor to the Car(s) less 4 percent of such aggregate rental payments. All proceeds of insurance received by Lessor as a result of such loss or damage shall, where applicable, be applied toward the replacement or repair of the Car(s) or the payment of the obligations of Lessee hereunder, including the payment of all accelerated sums. Lessee shall cooperate and assist Lessor and the insurance company as requested in the event of the loss, theft, damage, disrepair, or destruction of a Car or in the event a Car is involved in an accident.

SECTION 15. POSSESSION AND USE BY LESSEE. Lessee will not deliver, transfer or relinquish possession of any Car except that, unless an Event of Default (or other event which after lapse of time or notice or both would become an Event of Default) shall have occurred and be continuing, Lessee shall have the right to:

(a) Possession and use of the Cars by Lessee upon lines of railroad owned or operated by the Lessee or upon lines of railroad over which Lessee has trackage or other operating rights or over which railroad equipment of Lessee is regularly operated pursuant to contract, and also to permit the use of

the Cars upon connecting and other carriers in the usual interchange of traffic but only upon and subject to all terms and conditions of this Lease; provided, however, that Lessee shall not assign or permit the possession and use of any Car to service involving the regular operation and maintenance of such Car outside the United States of America.

(b) Deliver or relinquish possession of any Car to any organization for testing, overhaul, repairs, alterations, or modifications without the specific written consent of Lessor.

SECTION 16. TOLLS AND FEES. Lessee shall pay all, or reimburse Lessor when invoiced by Lessor, for any charges, registration, permit, inspection, tonage, fuel or license fees which may now or hereafter be imposed, levied or based upon the ownership, leasing, rental, sale, purchase, possession or use of the Cars.

SECTION 17. ASSIGNMENT; SUBLEASE. Lessee hereby consents to any assignment by Lessor and any reassignment of this Lease or rents hereunder, with or without notice. Lessee agrees that it shall not assert against any assignee of Lessor, and that the rights of such assignee to the rents and other amounts payable by Lessee hereunder shall not be subject to any claim, set-off, counterclaim, recoupment, abatement or defense of any kind or nature whether by reason of any damage to or loss or destruction of any Car, or any part thereof, or by reason of any defect in or failure of title of Lessor or interruption from whatsoever cause in the use, operation or possession of the Cars or any part thereof, or by reason of any indebtedness or liability howsoever and whenever arising of Lessor to Lessee or to any other person, firm or corporation or to any governmental authority, or for any other cause whatsoever, it being the intent hereof that Lessee shall be absolutely and unconditionally obligated to pay all such sums to such assignee. In the event of any such assignment, Lessee agrees that if directed by Lessor or by any assignee of Lessor in writing, it will (i) pay direct to such assignee any rent or other amount now or hereafter owing under this Lease and (ii) give to such assignee any notice required to be given to Lessor hereunder. Any assignee of Lessor shall have all the rights, powers, privileges and remedies of Lessor hereunder (whether or not the applicable provisions of this Lease contain express reference to any such assignee) but none of Lessor's obligations; provided, however no such assignment shall in any way relieve Lessor of any obligations hereunder. Lessee shall not enter into any sublease with respect to the Leased Property or any part hereof or make or permit any assignment of this Lease or Lessee's interest thereunder without the prior written consent of Lessor. This Lease shall inure to the benefit of the successors and assigns of Lessor and of Lessor's assigns and shall be binding on Lessee's successors.

SECTION 18. EVENTS OF DEFAULT. The following events shall constitute Events of Default (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body or otherwise):

- (a) Lessee shall fail to make any payment of rent when the same shall become due and such failure shall continue unremedied for a period of ten (10) days after written notice thereof by Lessor; or
- (b) Lessee shall fail to maintain insurance with respect to the Cars as required by Section 13 hereof, and such failure shall continue unremedied for a period of ten (10) days after written notice thereof by Lessor; or
- (c) Lessee shall make or permit any unauthorized assignment or transfer of this Lease or any Car or any interest in this Lease or any Car or shall permit, make or suffer any unauthorized transfer of possession of any Car; or
- (d) Lessee shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of fifteen (15) days after written notice thereof by Lessor; or
- (e) Any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto shall prove to be incorrect at any time in any material respect; or
- (f) If any statement furnished by Lessee pursuant to this Lease is untrue in any material respect on the date as of which the facts therein set forth are stated; or
- (g) Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature or applied for, consents to, or acquiesces in the appointment of a trustee or receiver for the Lessee or any property thereof; or, in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for Lessee, or for a substantial part of its property and is not discharged within 30 days; or any bankruptcy, reorganization, debt arrangement, or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against Lessee, and if instituted against Lessee is consented to or acquiesced in by Lessee or remains for 30 days undismissed.

SECTION 19. REMEDIES. In the event of Lessee's default Lessor shall, to the extent permitted by law, have the following rights and remedies:

(a) Proceed by appropriate actions at law or equity, to enforce performance by Lessee of the applicable covenants and terms of this Lease or to recover damages for the breach thereof; or

(b) By notice in writing to Lessee, terminate this Lease and/or Lessee's rights of possession hereunder as to all or any part of the Cars whereupon all right, title and interest of Lessee to or in the use of such Cars shall terminate, and Lessor may, directly or by its agent, enter upon any premises where the Cars may be located and take possession thereof, any expenses of such taking to be borne by Lessee. For the purpose of delivering possession to Lessor as provided aforesaid, Lessee shall at its own cost and expense forthwith assemble all Cars as provided in Section 20 hereof and provide storage for said Cars as provided in said Section 20. In the event of any such termination Lessor may (i) retain all rents and additional sums theretofore paid by Lessee hereunder, (ii) recover from Lessee all rents and additional sums accrued and unpaid under any of the terms hereof as of the date of termination, and (iii) recover from Lessee as liquidated damages, but not as penalty, an aggregate sum which at the time of such termination represents the excess, if any, of the balance of rental payments due and to become due hereunder, over the net amount received by Lessor from any public or private sale of such Cars or from any re-leasing of such Cars, provided that Lessor has given Lessee fifteen (15) business days' notice of such sale or re-leasing; or

(c) To declare the entire balance of rents due and to become due hereunder to be immediately due and payable, whereupon the same shall become immediately due and payable.

In addition to the foregoing, Lessor shall be entitled to recover from Lessee interest at the rate of 8 3/4 percent per annum on any sum due hereunder and not timely remitted from the date such sum was due and payable to the date such sum is paid in full, or at such lesser rate as may be legally enforceable, and any and all costs and expenses which Lessor shall sustain by reason of the occurrence of any such event of default, including, without limitation, reasonable legal fees and brokerage fees and other costs and expenses as shall be expended or incurred in the taking possession, storage and sale of the Cars or in the enforcement of any right or privilege hereunder

or in any action in connection therewith. The remedies herein provided shall not be deemed to be exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law, in equity or in bankruptcy.

All of the remedies of Lessor hereunder are cumulative and may to the extent permitted by law be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy.

The failure of the Lessor to exercise the rights granted it hereunder upon the occurrence of any Event of Default shall not constitute a waiver of any such right upon the continuation or recurrence of any such Event of Default or similar Event of Default; nor shall any single or partial exercise by Lessor of any right or remedy hereunder preclude any other or further exercise of any partially exercised right or remedy or any other right or remedy.

SECTION 20. RETURN OF LEASED PROPERTY. Upon the expiration of the term, or of any renewal term of this Lease or any prior termination of this Lease for any reason, Lessee shall return each Car to Lessor in good order and repair, excepting only reasonable wear and tear by causing all Cars to be moved, at Lessee's expense, onto Lessee's storage tracks in Hodge or Beinville, Louisiana, and keep all such Cars for a period of 90 days, without charge to Lessor for rent or storage. Any Cars not delivered in accordance with this Section shall continue to be subject to all of the rights and duties of the parties set forth in this Lease and Lessee shall be responsible for a per diem remittance of rental payments for the use of such Cars.

SECTION 21. LIENS. Lessee will not directly or indirectly create, incur, assume or suffer to exist any liens, mortgages, encumbrances, pledges, charges and security interests of any kind (hereinafter called "Liens"), on or with respect to any Car, title thereto or any interest therein, except (i) by the Lessor, (ii) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings so long as such proceedings do not involve, in the opinion of Lessor, any danger of the sale, forfeiture or loss of any Car or interest therein, (iii) inchoate materialsmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business, which are not delinquent or the enforcement of which has been suspended, but then only for the duration of such suspension, (iv) Liens arising out of judgments or awards against Lessee with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review, and (v) Liens to which Lessee's leasehold interest in the Cars is now or may hereafter become subject under indentures pur-

suant to which securities issued or assumed by Lessee may now or may hereafter be outstanding. Lessee will promptly, at its own expense, take such action as may be necessary to duly discharge or eliminate or bond in a manner satisfactory to Lessor any such Liens not excepted above if the same shall arise at any time.

SECTION 22. WAIVER OF NOTICE AND OF HEARING. LESSEE HEREIN WAIVES ANY AND ALL RIGHTS TO NOTICE AND TO A HEARING WITH RESPECT TO THE RIGHT OF AND THE REPOSSESSION OF THE CARS BY LESSOR IN THE EVENT OF A DEFAULT HEREUNDER BY LESSEE.

SECTION 23. RECORDING. The Lessee will, if requested by Lessor, promptly do any and all acts necessary to permit Lessor to cause this Lease, any assignment hereof and any amendments or supplements hereto to be filed and recorded in accordance with Section 20c of the Interstate Commerce Act and/or under any other applicable federal, state or local recording acts of any jurisdictions in the United States of America. The Lessee will from time to time do and perform any other act and will execute, acknowledge, and deliver any and all further instruments required by law or reasonably requested by the Lessor for the purpose of proper protection of the Lessor's interest in the Cars and take such further action as Lessor may from time to time reasonably request in order to carry out more effectively the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder. Lessee agrees to pay the actual cost for the initial filing and recording of this Lease or as required under any other document executed in connection with this Lease. Lessee also agrees to pay all filing and recording fees which are required because of any amendments or supplements to this Lease, any assignment by Lessee of this Lease to the extent permitted hereunder or as may be required as a result of any other act by Lessee.

SECTION 24. LESSOR'S RIGHT TO PERFORM FOR LESSEE. If Lessee fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, Lessor may itself make such payment or perform or comply with such agreement, and the amount of such payment and the amount of the reasonable expenses of Lessor incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, shall be deemed additional rent hereunder and shall be payable by Lessee upon demand unless otherwise provided herein, together with interest thereon from the date Lessor shall make such payment or incur such expenses at the rate of 8 3/4 percent per annum until paid, or at such lesser rate as may be legally enforceable.

SECTION 25. OPTION TO PURCHASE. Lessee may at the end of the term of this Lease, or of any renewal term, upon thirty (30) days prior written notice to Lessor, elect to purchase the Cars for

their then fair market value, provided Lessee is not then in default under the terms and conditions contained in this Lease.

SECTION 26. OPTION TO RENEW. Lessee may at the end of the term of this Lease or of any renewal term, upon thirty (30) days prior written notice to Lessor, elect to renew this Lease on an annual basis for the then fair market rental value of the Cars, provided Lessee is not then in default under the terms and conditions contained in this Lease.

SECTION 27. QUIET ENJOYMENT. Unless an Event of Default shall have occurred and be continuing, Lessor agrees that Lessee shall be entitled, on the terms and conditions of this Lease for any Car, to the uninterrupted use and quiet enjoyment of such Car as against Lessor or any person claiming under or through the Lessor other than as a result of any failure of Lessee to discharge any of its duties or obligations hereunder. However, nothing contained in this Section shall in any way affect the obligations and duties of the Lessee, including but not limited to, the payment of rent as provided in Section 3 hereof.

SECTION 28. SERVICE OF PROCESS AND SUIT. Lessee hereby agrees that all actions or proceedings arising directly or indirectly from this Lease shall be litigated, at the option of Lessor, in courts having situs within the State of New York, and Lessee hereby consents to the jurisdiction of any local, state or federal court located within the State of New York, and waives the personal service of any process upon Lessee herein, and consents that all such service of process may be made by serving an officer of Continental Can Company, Inc., a New York corporation, with an office and place of business at 633 Third Avenue, New York, New York 10017, or at such other address as Continental Can Company, Inc. shall designate in writing, which Lessee designates and appoints as Lessee's agent for accepting service of process. Said Continental Can Company, Inc. shall forward such process by certified mail to the undersigned at the address stated above or to such other address as the Lessee may from time to time specify in writing.

SECTION 29. NOTICES. All notices required under the terms and provisions hereof shall be in writing, and any such notice shall become effective when duly mailed with proper postage to either party at its above described address, or at such other address as such party shall from time to time designate in writing to the other party.

SECTION 30. EXECUTION. This Lease may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Lease

is dated as of March 1, 1973, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgement hereto annexed.

SECTION 31. MISCELLANEOUS. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect or which might require Lessor to mitigate damages other than as expressly provided herein. This Lease constitutes the entire agreement between the parties hereto and no term or provision of this Lease may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. This Lease shall constitute an agreement of lease, and nothing herein shall be construed as conveying to Lessee any right, title or equity interest in any Car except the right of use as a Lessee only. IT IS THE INTENT OF LESSEE AND OF LESSOR THAT THIS LEASE BE A TRUE LEASE AND NOT A CONDITIONAL SALE CONTRACT OR CHATTEL MORTGAGE AGREEMENT. All computations of interest and amounts equivalent to interest under this Lease shall be made on the basis of a 360-day year. The captions in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. This Lease shall in all respects be governed by, and construed in accordance with, the Laws of the State of New York, including all matters of construction, validity and performance, as if all of the terms and conditions contained in this Lease are to be and actually are observed and performed in the State of New York, provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing and recording hereof.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Instrument to be executed all as of the date first above written.

[CORPORATE SEAL]

NORTH LOUISIANA & GULF RAILROAD COMPANY,
as Lessee

Attest:

J. D. Dennis
Secretary - Asst.

By:

W. K. King
President - Vice

[CORPORATE SEAL]

CIC/A. A. MORRISON, INC., as Lessor

Attest:

Cl. V. [Signature]
Secretary

By:

Julian L. L. Morrison
President

STATE OF Louisiana)
COUNTY OF Jackson) S S . . :

On this 18th day of April, 1973, before me personally appeared C.C. Kunny, to me personally known, who, being by me duly sworn, says that he is Vice President of NORTH LOUISIANA & GULF RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Evelyn P. Burson

Notary Public

EVELYN P. BURSON, NOTARY PUBLIC
HODGE, JACKSON PARISH, LOUISIANA
COMMISSION IS FOR LIFE

STATE OF)
COUNTY OF) S S . . :

On this 15th day of May, 1973, before me personally appeared Judson L. Morrison, to me personally known, who, being by me duly sworn, says that he is President of CIC/A. A. MORRISON, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Samuel L. Shapiro
Notary Public

SAMUEL L. SHAPIRO
Notary Public, State of New York

SAMUEL L. SHAPIRO
Notary Public, State of New York
Qualified in Erie County
My Commission Expires March 30, 1975

CERTIFICATION

The undersigned, an attorney at law, certifies that this copy of the foregoing, furnished by him, has been compared by him with the original and that said copy is a true and complete copy thereof.

Russell J. Liers

EXHIBIT "A"

CERTIFICATE OF ACCEPTANCE

This CERTIFICATE OF ACCEPTANCE, dated as of _____, 1973, executed and delivered by NORTH LOUISIANA & GULF RAILROAD COMPANY, a Louisiana corporation (hereinafter called "Lessee"), to CIC/A.A. MORRISON, INC., a New York corporation (hereinafter called "Lessor"),

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have heretofore entered into that certain Lease dated as of March 1, 1973, (herein called the "Lease" and the terms defined therein being hereinafter used with the same meaning), which Lease provides for the execution and delivery from time to time of Certificates of Acceptance substantially in the form hereof for the purpose of confirming acceptance of the Cars leased under the Lease;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Lessee hereby confirms and agrees as follows:

1. Lessee hereby after a full inspection accepts and leases from Lessor under the Lease, the Cars which are described below:

Description of Cars

Lessee's Road Numbers

2. The acceptance date of the Cars is the date of this Certificate of Acceptance set forth in the opening paragraph hereof.

3. Lessee hereby confirms to Lessor that the Cars have been duly inspected in accordance with the Lease and duly marked in accordance with the terms of Section 5 of the Lease and that Lessee has accepted the Cars for all purposes hereof and of the Lease; provided, however, that nothing contained herein or in the Lease shall in any way diminish or otherwise affect any right which Lessee or Lessor may have with respect to the Cars against SSW or USRE or any subcontractor of either.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Acceptance to be duly executed as of the day and year first above written.

NORTH LOUISIANA & GULF RAILROAD COMPANY
as Lessee

By: _____
(Title)

EXHIBIT "B"

CERTIFICATE OF DELIVERY

This CERTIFICATE OF DELIVERY, dated as of _____, 1973, executed and delivered by NORTH LOUISIANA & GULF RAILROAD COMPANY, a Louisiana corporation (hereinafter called "Lessee"), to CIC/A.A. MORRISON, INC., a New York corporation (hereinafter called "Lessor"),

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have heretofore entered into that certain Lease dated as of March 1, 1973 (herein called the "Lease" and the terms defined therein being hereinafter used with the same meaning), which Lease provides for the execution and delivery from time to time of Certificates of Delivery substantially in the form hereof for the purpose of confirming delivery of the Cars leased under the Lease;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, Lessee hereby confirms and agrees as follows:

1. Lessee hereby accepts delivery from Lessor under the Lease, the Car(s) which are described below:

Description of Unit

Lessee's Road Numbers

2. The delivery date of the Car(s) is set forth in the opening paragraph hereof.

3. Lessee hereby confirms to Lessor that each Car has been duly inspected and that Lessee has accepted the Car(s) for all purposes hereof and of the Lease; provided, however, that nothing contained herein or in the Lease shall in any way diminish or otherwise affect any right which Lessee or Lessor may have with respect to the Car(s) against SSW or USRA or any subcontractor of either.

IN WITNESS WHEREOF, Lessee has caused this Certificate of Delivery to be duly executed as of the day and year first above written.

NORTH LOUISIANA & GULF RAILROAD COMPANY,
as Lessee

By: _____

Title

EXHIBIT "C" TO LEASE

(This Schedule will be completed upon the commencement date of the base term of the Lease)

<u>Rent Payment No.</u>	<u>Due Date</u>	<u>Total Rent</u>	
		<u>Per Car</u>	<u>Total</u>
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<u>Rent Payment No.</u>	<u>Due Date</u>	<u>Total Rent</u>	<u>Per Car</u>	<u>Total</u>
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